

August 22, 2017

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Ms. Jocelyn Boyd  
Chief Clerk and Administrator  
South Carolina Public Service Commission  
Synergy Business Park, The Saluda Building  
101 Executive Center Drive  
Columbia SC 29210

Re: Sale of 100% of the Stock of Chesnee Telephone Company,  
Incorporated d/b/a Chesnee Communications

Dear Ms. Boyd:

On behalf of Chesnee Telephone Company, Incorporated d/b/a Chesnee Communications ("Chesnee Telephone"), we are writing to advise the Commission regarding the planned sale of 100% of the issued and outstanding capital stock of Chesnee Telephone to SkyLine Telephone Membership Corporation ("SkyLine"). As you are aware, Chesnee Telephone is an incumbent local exchange telephone company authorized to provide services in the State of South Carolina. Chesnee Telephone was formed in 1948, and has been providing local exchange telephone and exchange access services to customers in Spartanburg and Cherokee Counties in northwestern South Carolina since that time. In addition, Chesnee Long Distance, Inc. ("Chesnee LD"), a wholly-owned subsidiary of Chesnee Telephone, holds a Certificate of Public Convenience and Necessity to provide resold interexchange telecommunications services within the State of South Carolina.

SkyLine is a local, member-owned telephone cooperative based in West Jefferson, North Carolina. SkyLine was formed in 1951 and provides incumbent local exchange and exchange access services in portions of Alleghany, Ashe, Avery, and Watauga Counties in North Carolina, and in Johnson County, Tennessee.

The planned transaction involves the purchase by SkyLine of one hundred percent (100%) of the issued and outstanding shares of Chesnee Telephone's stock. As a result of the transaction, SkyLine will acquire complete control of Chesnee Telephone and its wholly-owned subsidiaries, including Chesnee LD. Because the planned transaction involves a sale of the outstanding stock of Chesnee Telephone, there will be no transfer of Chesnee Telephone's assets to another entity and Chesnee Telephone and Chesnee LD will continue to hold their authority and Certificate(s) of Public Convenience and Necessity. The closing for the planned transaction is expected to occur in the 4<sup>th</sup> Quarter of 2017, but

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please be reminded that closing dates are always subject to change due to a variety of reasons.

We will advise the Commission once the closing has been consummated. If there are changes to be made in points of contact or other information normally filed with the Commission, then updates to that information will be made post-closing.

Because the planned sale of stock does not involve a transfer of Chesnee Telephone's property, powers, franchises, or privileges (see S.C. Code Ann. § 58-9-310), approval or consent by, or notification to, the Commission is not statutorily required. Nevertheless, the parties wanted to formally apprise the Commission of the planned transaction.

Should you have any questions, please do not hesitate to contact either of us.

Sincerely,



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MMF:khh

cc: C. Dukes Scott, Executive Director, South Carolina Office of Regulatory Staff  
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